



For Immediate Release
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**BAUCUS STIMULUS PLAN EXPANDS REBATE TO SENIORS
AND PAYROLL TAXPAYERS, EXTENDS JOBLESS BENEFITS,
ADDS TAX RELIEF FOR STRUGGLING BUSINESSES**

Senate Finance Committee to consider package this Wednesday at 2:30 p.m.

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today unveiled a proposed economic stimulus package providing a flat \$500 rebate to any American with \$3000 of qualifying income to report on a 2007 tax return – including tens of millions of seniors living on Social Security. Rebates would be doubled for married couples filing jointly, and families would receive an additional \$300 per child under age 17. The Baucus plan extends Federal unemployment insurance benefits for jobless Americans in all states by 13 weeks, with additional benefits for workers in states with high unemployment. Businesses losing money in the economic downturn will be allowed to write off losses retroactively for as many as five years. Scores will be available later today, but the total package is expected to cost approximately \$156 billion.

“America’s seniors have worked hard all their lives, and are major contributors to our economy. So my proposal will give America’s seniors the same rebate as any wage earner. Rebates for seniors and payroll taxpayers, extended unemployment insurance, and tax relief for struggling businesses will put more cash into the American economy right away,” said Baucus. **“The White House says we mustn’t slow the economic stimulus agreement down, or blow it up. I agree. We’re going to improve it and get it passed right away.”**

The full Chairman’s Mark, which the Committee will consider at a business meeting this Wednesday, January 30, at 2:30 p.m., will be available later today on the Finance Committee website at <http://finance.senate.gov/sitepages/legislation.htm>. Summaries of key elements follow here:

INDIVIDUAL REBATE:

Every single American with \$3000 in qualifying income who files a tax return in 2007 will receive a \$500 stimulus check. This amount will be doubled to \$1000 total for married couples filing jointly. A bonus of \$300 will be provided to families for each child under age 17 who qualifies under current child tax credit rules.

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Differently from the House proposal, the definition of qualifying income will include Social Security benefits as well as wages, allowing many more Americans to get a check.

This rebate will be fully refundable for all eligible Americans – meaning, they will receive the full rebate even if their income tax liabilities do not equal or exceed the rebate amount. There are no upper income limits for rebate eligibility.

This makes only minor modifications to the House-Administration agreement on economic stimulus, but will add millions of Americans – mostly retirees – to the eligible class of rebate recipients. For instance:

1. A 70-year-old retiree receiving \$800 per month in Social Security retirement benefits would qualify because she has at least \$3000 in benefits.
2. A 42-year-old disabled person receiving \$500 per month in Social Security disability benefits would qualify because he receives at least \$3000 in SSDI.
3. A 68-year-old widow receiving \$200 per month in Social Security survivor benefits and \$100 per month for part-time work would qualify because her combined wages and Social Security benefits are in excess of \$3000.

The structure of the rebate is resistant to fraudulent filing of 2007 returns. Both wages and Social Security benefits are easily verified by the IRS through required copies of W-2 (wages) forms and/or the filer's 1099 form from the Social Security Administration.

BUSINESS STIMULUS:

For companies losing money in this economic downturn, the Chairman's Mark extends a provision allowing corporations to apply excess net operating losses to tax returns from prior profitable years and receive any applicable refunds. For 2006 and 2007 losses, the "net operating loss (NOL) carryback" will be extended to five years (back to 2001) from the two years currently in law.

The Chairman's Mark expands Section 179 expensing of equipment for small businesses and bonus depreciation for business property that is purchased and placed into service by large companies during 2008, similar to the House-Administration proposal.

UNEMPLOYMENT INSURANCE:

The Chairman's Mark would make 13 weeks of additional unemployment insurance (UI) benefits available to jobless Americans through the end of December 2008. Americans in high unemployment states – with total unemployment rates of six percent or higher – would have 13 additional weeks of eligibility (for a total of 26 additional weeks). Individuals who have begun to receive either 13-week extension of benefits by the end of December would be eligible to receive benefits for the remainder of those 13 weeks.

The full Senate is expected to consider the Finance Committee product shortly after Committee consideration.

“A stimulus package will have a better chance of kick-starting America’s economy if Americans know what the benefit is, if more can participate, and if dollars get directly to those who need them now,” said Baucus. **“The Finance Committee’s work is going to help the Senate and the House finalize an effective stimulus bill and see it signed by February 15.”**

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